EXECUTIVE CHAMBERS

HONOLULU

July 8, 2008

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1793

Honorable Members Twenty-Fourth Legislature State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1793, entitled "A Bill for an Act Relating to the Natural Energy Laboratory of Hawaii Authority."

The purposes of this bill are to add two members to the Board of Directors of the Natural Energy Laboratory of Hawaii Authority (NELHA), who must be chosen from among the tenants holding leases on property within the NELHA research and technology park, and to exempt NELHA from certain administrative and oversight requirements that apply to boards and commissions. More specifically, the bill would exempt NELHA from certain provisions of section 26-35, Hawaii Revised Statutes, to enable NELHA to directly communicate with the Governor or the Legislature and to make all decisions regarding NELHA employees and the purchase of supplies, equipment, and furniture without the approval of the Director of Business, Economic Development and Tourism (DBEDT).

Agencies, such as NELHA, enjoy a certain degree of autonomy in their mission and functions from the departments to which they are attached. Although the level of autonomy is not defined precisely in the law, my Administration has honored and

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encouraged agencies to carry out their goals and objectives in collaboration with their department.

This bill is objectionable because it eliminates the partnership between DBEDT and NELHA in critical areas of NELHA operations, including the hiring and firing of personnel and the procurement of supplies and equipment. I strongly believe that all attached agencies must have Executive Branch oversight in these areas to ensure the proper use and expenditure of public funds. Furthermore, review and approval by a department head in the administration of an attached agency is critical to ensuring that consistent policies are being implemented and that applicable rules and other provisions are being followed. Departmental review could preclude the need for additional staff that must be hired by the attached agency.

Finally, this bill is objectionable because it suggests that NELHA and other attached agencies do not have the ability to communicate with the Legislature or the Executive Branch. This is not the case; NELHA and several other boards and commissions testified before the Legislature this past year and are always welcome to meet with me or my staff.

For the foregoing reasons, I am returning Senate Bill No. 1793 without my approval.

Respectfully,

LINDA LINGLE

Governor of Hawaii